

1 AN ACT relating to the exemption of certain postnatal items from sales and use tax.

2 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

3 ➔Section 1. KRS 139.010 (Effective January 1, 2023) is amended to read as
4 follows:

5 As used in this chapter, unless the context otherwise provides:

6 (1) (a) "Admissions" means the fees paid for:

- 7 1. The right of entrance to a display, program, sporting event, music
8 concert, performance, play, show, movie, exhibit, fair, or other
9 entertainment or amusement event or venue; and
 - 10 2. The privilege of using facilities or participating in an event or activity,
11 including but not limited to:
 - 12 a. Bowling centers;
 - 13 b. Skating rinks;
 - 14 c. Health spas;
 - 15 d. Swimming pools;
 - 16 e. Tennis courts;
 - 17 f. Weight training facilities;
 - 18 g. Fitness and recreational sports centers; and
 - 19 h. Golf courses, both public and private;
- 20 regardless of whether the fee paid is per use or in any other form,
21 including but not limited to an initiation fee, monthly fee, membership
22 fee, or combination thereof.

23 (b) "Admissions" does not include:

- 24 1. Any fee paid to enter or participate in a fishing tournament; or
- 25 2. Any fee paid for the use of a boat ramp for the purpose of allowing boats
26 to be launched into or hauled out from the water;

27 (2) "Advertising and promotional direct mail" means direct mail the primary purpose of

1 which is to attract public attention to a product, person, business, or organization, or
2 to attempt to sell, popularize, or secure financial support for a product, person,
3 business, or organization. As used in this definition, "product" means tangible
4 personal property, an item transferred electronically, or a service;

5 (3) (a) "Breast pump" means an electrically or manually controlled pump device
6 designed or marketed to be used to express milk from a human breast
7 during lactation.

8 (b) "Breast pump" includes the electrically or manually controlled pump
9 device and any battery, AC adapter, or other power supply unit packaged
10 and sold with the pump device at the time of sale to power the pump device;

11 (4) (a) "Breast pump collection and storage supplies" means items of tangible
12 personal property designed or marketed to be used in conjunction with a
13 breast pump to collect milk expressed from a human breast and to store
14 collected milk until it is ready for consumption.

15 (b) "Breast pump collection and storage supplies" includes but is not limited
16 to:

17 1. Breast shields and breast shield connectors;

18 2. Breast pump tubes and tubing adapters;

19 3. Breast pump valves and membranes;

20 4. Backflow protectors and backflow protector adaptors;

21 5. Bottles and bottle caps specific to the operation of the breast pump;

22 6. Breast milk storage bags; and

23 7. Other items that may be useful to initiate, support, or sustain breast-
24 feeding using a breast pump during lactation, that may be sold
25 separately, but are generally sold as part of a breast pump kit.

26 (c) "Breast pump collection and storage supplies" does not include, unless sold
27 as part of a breast pump kit prepackaged by the breast pump manufacturer

1 or distributor:

2 1. Bottles and bottle caps not specific to the operation of the breast
3 pump;

4 2. Breast pump travel bags and other similar carrying accessories,
5 including ice packs, labels, and other similar products;

6 3. Breast pump cleaning supplies;

7 4. Nursing bras, bra pads, breast shells, and other similar products; and

8 5. Creams, ointments, and other similar products that relieve
9 breastfeeding-related symptoms or conditions of the breasts or nipples;

10 (5) "Breast pump kit" means a kit that contains a breast pump and one (1) or more
11 of the following items:

12 (a) Breast pump collection and storage supplies; and

13 (b) Other taxable items of tangible personal property that may be useful to
14 initiate, support, or sustain breastfeeding using a breast pump during
15 lactation, so long as the other taxable items of tangible personal property
16 sold with the breast pump kit at the time of sale are less than ten percent
17 (10%) of the total sales price of the breast pump kit;

18 (6) "Business" includes any activity engaged in by any person or caused to be engaged
19 in by that person with the object of gain, benefit, or advantage, either direct or
20 indirect;

21 (7) "Children's diapers" are diapers marketed to be worn by children;

22 (8) (a) "Clothing" means all human wearing apparel suitable for general use.

23 (b) "Clothing" does not include children's diapers;

24 (9) [(4)] "Commonwealth" means the Commonwealth of Kentucky;

25 (10) [(5)] (a) "Cosmetic surgery services" means modifications to all areas of the
26 head, neck, and body to enhance appearance through surgical and medical
27 techniques.

1 (b) "Cosmetic surgery services" does not include reconstruction of facial and
2 body defects due to birth disorders, trauma, burns, or disease;

3 ~~(11)~~~~(6)~~ "Department" means the Department of Revenue;

4 **(12) "Diaper" means an absorbent garment worn by humans who are incapable of, or**
5 **have difficulty, controlling their bladder or bowel movements;**

6 ~~(13)~~~~(7)~~ (a) "Digital audio-visual works" means a series of related images which,
7 when shown in succession, impart an impression of motion, with
8 accompanying sounds, if any.

9 (b) "Digital audio-visual works" includes movies, motion pictures, musical
10 videos, news and entertainment programs, and live events.

11 (c) "Digital audio-visual works" shall not include video greeting cards, video
12 games, and electronic games;

13 ~~(14)~~~~(8)~~ (a) "Digital audio works" means works that result from the fixation of a
14 series of musical, spoken, or other sounds.

15 (b) "Digital audio works" includes ringtones, recorded or live songs, music,
16 readings of books or other written materials, speeches, or other sound
17 recordings.

18 (c) "Digital audio works" shall not include audio greeting cards sent by electronic
19 mail;

20 ~~(15)~~~~(9)~~ (a) "Digital books" means works that are generally recognized in the
21 ordinary and usual sense as books, including any literary work expressed in
22 words, numbers, or other verbal or numerical symbols or indicia if the literary
23 work is generally recognized in the ordinary or usual sense as a book.

24 (b) "Digital books" shall not include digital audio-visual works, digital audio
25 works, periodicals, magazines, newspapers, or other news or information
26 products, chat rooms, or Web logs;

27 ~~(16)~~~~(10)~~ (a) "Digital code" means a code which provides a purchaser with a right to

1 obtain one (1) or more types of digital property. A "digital code" may be
2 obtained by any means, including electronic mail messaging or by tangible
3 means, regardless of the code's designation as a song code, video code, or
4 book code.

5 (b) "Digital code" shall not include a code that represents:

- 6 1. A stored monetary value that is deducted from a total as it is used by the
7 purchaser; or
- 8 2. A redeemable card, gift card, or gift certificate that entitles the holder to
9 select specific types of digital property;

10 ~~(17)~~~~(14)~~ (a) "Digital property" means any of the following which is transferred
11 electronically:

- 12 1. Digital audio works;
- 13 2. Digital books;
- 14 3. Finished artwork;
- 15 4. Digital photographs;
- 16 5. Periodicals;
- 17 6. Newspapers;
- 18 7. Magazines;
- 19 8. Video greeting cards;
- 20 9. Audio greeting cards;
- 21 10. Video games;
- 22 11. Electronic games; or
- 23 12. Any digital code related to this property.

24 (b) "Digital property" shall not include digital audio-visual works or satellite
25 radio programming;

26 ~~(18)~~~~(12)~~ (a) "Direct mail" means printed material delivered or distributed by United
27 States mail or other delivery service to a mass audience or to addressees on a

1 mailing list provided by the purchaser or at the direction of the purchaser
2 when the cost of the items are not billed directly to the recipient.

3 (b) "Direct mail" includes tangible personal property supplied directly or
4 indirectly by the purchaser to the direct mail retailer for inclusion in the
5 package containing the printed material.

6 (c) "Direct mail" does not include multiple items of printed material delivered to
7 a single address;

8 ~~(19)~~~~(13)~~ "Directly used in the manufacturing or industrial processing process" means
9 the process that commences with the movement of raw materials from storage into a
10 continuous, unbroken, integrated process and ends when the finished product is
11 packaged and ready for sale;

12 ~~(20)~~~~(14)~~ (a) "Extended warranty services" means services provided through a service
13 contract agreement between the contract provider and the purchaser where the
14 purchaser agrees to pay compensation for the contract and the provider agrees
15 to repair, replace, support, or maintain tangible personal property, digital
16 property, or real property according to the terms of the contract.

17 (b) "Extended warranty services" does not include the sale of a service contract
18 agreement for tangible personal property to be used by a small telephone
19 utility as defined in KRS 278.516 or a Tier III CMRS provider as defined in
20 KRS 65.7621 to deliver communications services as defined in KRS 136.602
21 or broadband;

22 ~~(21)~~~~(15)~~ (a) "Finished artwork" means final art that is used for actual reproduction by
23 photomechanical or other processes or for display purposes.

24 (b) "Finished artwork" includes:

- 25 1. Assemblies;
- 26 2. Charts;
- 27 3. Designs;

- 1 4. Drawings;
- 2 5. Graphs;
- 3 6. Illustrative materials;
- 4 7. Lettering;
- 5 8. Mechanicals;
- 6 9. Paintings; and
- 7 10. Paste-ups;

8 ~~(22)~~~~(16)~~ (a) "Gross receipts" and "sales price" mean the total amount or
9 consideration, including cash, credit, property, and services, for which
10 tangible personal property, digital property, or services are sold, leased, or
11 rented, valued in money, whether received in money or otherwise, without any
12 deduction for any of the following:

- 13 1. The retailer's cost of the tangible personal property, digital property, or
14 services sold;
- 15 2. The cost of the materials used, labor or service cost, interest, losses, all
16 costs of transportation to the retailer, all taxes imposed on the retailer, or
17 any other expense of the retailer;
- 18 3. Charges by the retailer for any services necessary to complete the sale;
- 19 4. Delivery charges, which are defined as charges by the retailer for the
20 preparation and delivery to a location designated by the purchaser
21 including transportation, shipping, postage, handling, crating, and
22 packing;
- 23 5. Any amount for which credit is given to the purchaser by the retailer,
24 other than credit for tangible personal property or digital property traded
25 when the tangible personal property or digital property traded is of like
26 kind and character to the property purchased and the property traded is
27 held by the retailer for resale; and

- 1 6. The amount charged for labor or services rendered in installing or
2 applying the tangible personal property, digital property, or service sold.
- 3 (b) "Gross receipts" and "sales price" shall include consideration received by the
4 retailer from a third party if:
- 5 1. The retailer actually receives consideration from a third party and the
6 consideration is directly related to a price reduction or discount on the
7 sale to the purchaser;
- 8 2. The retailer has an obligation to pass the price reduction or discount
9 through to the purchaser;
- 10 3. The amount of consideration attributable to the sale is fixed and
11 determinable by the retailer at the time of the sale of the item to the
12 purchaser; and
- 13 4. One (1) of the following criteria is met:
- 14 a. The purchaser presents a coupon, certificate, or other
15 documentation to the retailer to claim a price reduction or discount
16 where the coupon, certificate, or documentation is authorized,
17 distributed, or granted by a third party with the understanding that
18 the third party will reimburse any seller to whom the coupon,
19 certificate, or documentation is presented;
- 20 b. The price reduction or discount is identified as a third-party price
21 reduction or discount on the invoice received by the purchaser or
22 on a coupon, certificate, or other documentation presented by the
23 purchaser; or
- 24 c. The purchaser identifies himself or herself to the retailer as a
25 member of a group or organization entitled to a price reduction or
26 discount. A "preferred customer" card that is available to any
27 patron does not constitute membership in such a group.

1 (c) "Gross receipts" and "sales price" shall not include:

- 2 1. Discounts, including cash, term, or coupons that are not reimbursed by a
3 third party and that are allowed by a retailer and taken by a purchaser on
4 a sale;
- 5 2. Interest, financing, and carrying charges from credit extended on the sale
6 of tangible personal property, digital property, or services, if the amount
7 is separately stated on the invoice, bill of sale, or similar document given
8 to the purchaser;
- 9 3. Any taxes legally imposed directly on the purchaser that are separately
10 stated on the invoice, bill of sale, or similar document given to the
11 purchaser; or
- 12 4. Local alcohol regulatory license fees authorized under KRS 243.075 that
13 are separately stated on the invoice, bill of sale, or similar document
14 given to the purchaser.

15 (d) As used in this subsection, "third party" means a person other than the
16 purchaser;

17 ~~(23)~~~~(17)~~ "In this state" or "in the state" means within the exterior limits of the
18 Commonwealth and includes all territory within these limits owned by or ceded to
19 the United States of America;

20 ~~(24)~~~~(18)~~ "Industrial processing" includes:

- 21 (a) Refining;
- 22 (b) Extraction of minerals, ores, coal, clay, stone, petroleum, or natural gas;
- 23 (c) Mining, quarrying, fabricating, and industrial assembling;
- 24 (d) The processing and packaging of raw materials, in-process materials, and
25 finished products; and
- 26 (e) The processing and packaging of farm and dairy products for sale;

27 ~~(25)~~~~(19)~~ (a) "Lease or rental" means any transfer of possession or control of tangible

1 personal property for a fixed or indeterminate term for consideration. A lease
2 or rental shall include future options to:

- 3 1. Purchase the property; or
- 4 2. Extend the terms of the agreement and agreements covering trailers
5 where the amount of consideration may be increased or decreased by
6 reference to the amount realized upon sale or disposition of the property
7 as defined in 26 U.S.C. sec. 7701(h)(1).

8 (b) "Lease or rental" shall not include:

- 9 1. A transfer of possession or control of property under a security
10 agreement or deferred payment plan that requires the transfer of title
11 upon completion of the required payments;
- 12 2. A transfer of possession or control of property under an agreement that
13 requires the transfer of title upon completion of the required payments
14 and payment of an option price that does not exceed the greater of one
15 hundred dollars (\$100) or one percent (1%) of the total required
16 payments; or
- 17 3. Providing tangible personal property and an operator for the tangible
18 personal property for a fixed or indeterminate period of time. To qualify
19 for this exclusion, the operator must be necessary for the equipment to
20 perform as designed, and the operator must do more than maintain,
21 inspect, or setup the tangible personal property.

22 (c) This definition shall apply regardless of the classification of a transaction
23 under generally accepted accounting principles, the Internal Revenue Code, or
24 other provisions of federal, state, or local law;

25 ~~(26)~~~~[(20)]~~ (a) "Machinery for new and expanded industry" means machinery:

- 26 1. Directly used in the manufacturing or industrial processing process of:
 - 27 a. Tangible personal property at a plant facility;

- 1 b. Distilled spirits or wine at a plant facility or on the premises of a
2 distiller, rectifier, winery, or small farm winery licensed under
3 KRS 243.030 that includes a retail establishment on the premises;
4 or
5 c. Malt beverages at a plant facility or on the premises of a brewer or
6 microbrewery licensed under KRS 243.040 that includes a retail
7 establishment;
- 8 2. Which is incorporated for the first time into:
- 9 a. A plant facility established in this state; or
10 b. Licensed premises located in this state; and
- 11 3. Which does not replace machinery in the plant facility or licensed
12 premises unless that machinery purchased to replace existing machinery:
- 13 a. Increases the consumption of recycled materials at the plant
14 facility by not less than ten percent (10%);
15 b. Performs different functions;
16 c. Is used to manufacture a different product; or
17 d. Has a greater productive capacity, as measured in units of
18 production, than the machinery being replaced.
- 19 (b) "Machinery for new and expanded industry" does not include repair,
20 replacement, or spare parts of any kind, regardless of whether the purchase of
21 repair, replacement, or spare parts is required by the manufacturer or seller as
22 a condition of sale or as a condition of warranty;
- 23 (27)~~[(24)]~~ "Manufacturing" means any process through which material having little or no
24 commercial value for its intended use before processing has appreciable commercial
25 value for its intended use after processing by the machinery;
- 26 (28)~~[(22)]~~ "Marketing services" means developing marketing objectives and policies,
27 sales forecasting, new product developing and pricing, licensing, and franchise

1 planning;

2 ~~(29)~~~~[(23)]~~ "Marketplace" means any physical or electronic means through which one (1)
3 or more retailers may advertise and sell tangible personal property, digital property,
4 or services, or lease tangible personal property or digital property, such as a catalog,
5 Internet Web site, or television or radio broadcast, regardless of whether the
6 tangible personal property, digital property, or retailer is physically present in this
7 state;

8 ~~(30)~~~~[(24)]~~ (a) "Marketplace provider" means a person, including any affiliate of the
9 person, that facilitates a retail sale by satisfying subparagraphs 1. and 2. of this
10 paragraph as follows:

- 11 1. The person directly or indirectly:
- 12 a. Lists, makes available, or advertises tangible personal property,
13 digital property, or services for sale by a marketplace retailer in a
14 marketplace owned, operated, or controlled by the person;
- 15 b. Facilitates the sale of a marketplace retailer's product through a
16 marketplace by transmitting or otherwise communicating an offer
17 or acceptance of a retail sale of tangible personal property, digital
18 property, or services between a marketplace retailer and a
19 purchaser in a forum including a shop, store, booth, catalog,
20 Internet site, or similar forum;
- 21 c. Owns, rents, licenses, makes available, or operates any electronic
22 or physical infrastructure or any property, process, method,
23 copyright, trademark, or patent that connects marketplace retailers
24 to purchasers for the purpose of making retail sales of tangible
25 personal property, digital property, or services;
- 26 d. Provides a marketplace for making retail sales of tangible personal
27 property, digital property, or services, or otherwise facilitates retail

- 1 sales of tangible personal property, digital property, or services,
2 regardless of ownership or control of the tangible personal
3 property, digital property, or services, that are the subject of the
4 retail sale;
- 5 e. Provides software development or research and development
6 activities related to any activity described in this subparagraph, if
7 the software development or research and development activities
8 are directly related to the physical or electronic marketplace
9 provided by a marketplace provider;
- 10 f. Provides or offers fulfillment or storage services for a marketplace
11 retailer;
- 12 g. Sets prices for a marketplace retailer's sale of tangible personal
13 property, digital property, or services;
- 14 h. Provides or offers customer service to a marketplace retailer or a
15 marketplace retailer's customers, or accepts or assists with taking
16 orders, returns, or exchanges of tangible personal property, digital
17 property, or services sold by a marketplace retailer; or
- 18 i. Brands or otherwise identifies sales as those of the marketplace
19 provider; and
- 20 2. The person directly or indirectly:
- 21 a. Collects the sales price or purchase price of a retail sale of tangible
22 personal property, digital property, or services;
- 23 b. Provides payment processing services for a retail sale of tangible
24 personal property, digital property, or services;
- 25 c. Through terms and conditions, agreements, or arrangements with a
26 third party, collects payment in connection with a retail sale of
27 tangible personal property, digital property, or services from a

1 purchaser and transmits that payment to the marketplace retailer,
2 regardless of whether the person collecting and transmitting the
3 payment receives compensation or other consideration in exchange
4 for the service; or

5 d. Provides a virtual currency that purchasers are allowed or required
6 to use to purchase tangible personal property, digital property, or
7 services.

8 (b) "Marketplace provider" includes but is not limited to a person that satisfies the
9 requirements of this subsection through the ownership, operation, or control
10 of a digital distribution service, digital distribution platform, online portal, or
11 application store;

12 ~~(31)~~~~(25)~~ "Marketplace retailer" means a seller that makes retail sales through any
13 marketplace owned, operated, or controlled by a marketplace provider;

14 ~~(32)~~~~(26)~~ (a) "Occasional sale" includes:

15 1. A sale of tangible personal property or digital property not held or used
16 by a seller in the course of an activity for which he or she is required to
17 hold a seller's permit, provided such sale is not one (1) of a series of
18 sales sufficient in number, scope, and character to constitute an activity
19 requiring the holding of a seller's permit. In the case of the sale of the
20 entire, or a substantial portion of the nonretail assets of the seller, the
21 number of previous sales of similar assets shall be disregarded in
22 determining whether or not the current sale or sales shall qualify as an
23 occasional sale; or

24 2. Any transfer of all or substantially all the tangible personal property or
25 digital property held or used by a person in the course of such an activity
26 when after such transfer the real or ultimate ownership of such property
27 is substantially similar to that which existed before such transfer.

1 (b) For the purposes of this subsection, stockholders, bondholders, partners, or
2 other persons holding an interest in a corporation or other entity are regarded
3 as having the "real or ultimate ownership" of the tangible personal property or
4 digital property of such corporation or other entity;

5 ~~(33)~~~~(27)~~ (a) "Other direct mail" means any direct mail that is not advertising and
6 promotional direct mail, regardless of whether advertising and promotional
7 direct mail is included in the same mailing.

8 (b) "Other direct mail" includes but is not limited to:

- 9 1. Transactional direct mail that contains personal information specific to
10 the addressee, including but not limited to invoices, bills, statements of
11 account, and payroll advices;
- 12 2. Any legally required mailings, including but not limited to privacy
13 notices, tax reports, and stockholder reports; and
- 14 3. Other nonpromotional direct mail delivered to existing or former
15 shareholders, customers, employees, or agents, including but not limited
16 to newsletters and informational pieces.

17 (c) "Other direct mail" does not include the development of billing information or
18 the provision of any data processing service that is more than incidental to the
19 production of printed material;

20 ~~(34)~~~~(28)~~ "Person" includes any individual, firm, copartnership, joint venture,
21 association, social club, fraternal organization, corporation, estate, trust, business
22 trust, receiver, trustee, syndicate, cooperative, assignee, governmental unit or
23 agency, or any other group or combination acting as a unit;

24 ~~(35)~~~~(29)~~ "Permanent," as the term applies to digital property, means perpetual or for an
25 indefinite or unspecified length of time;

26 ~~(36)~~~~(30)~~ (a) "Photography and photofinishing services" means:

- 27 1. The taking, developing, or printing of an original photograph; or

1 2. Image editing, including shadow removal, tone adjustments, vertical and
2 horizontal alignment and cropping, composite image creation,
3 formatting, watermarking printing, and delivery of an original
4 photograph in the form of tangible personal property, digital property, or
5 other media.

6 (b) "Photography and photofinishing services" does not include photography
7 services necessary for medical or dental health;

8 (37)~~(34)~~ "Plant facility" means a single location that is exclusively dedicated to
9 manufacturing or industrial processing activities. A location shall be deemed to be
10 exclusively dedicated to manufacturing or industrial processing activities even if
11 retail sales are made there, provided that the retail sales are incidental to the
12 manufacturing or industrial processing activities occurring at the location. The term
13 "plant facility" shall not include any restaurant, grocery store, shopping center, or
14 other retail establishment;

15 (38)~~(32)~~ (a) "Prewritten computer software" means:

- 16 1. Computer software, including prewritten upgrades, that are not designed
17 and developed by the author or other creator to the specifications of a
18 specific purchaser;
- 19 2. Software designed and developed by the author or other creator to the
20 specifications of a specific purchaser when it is sold to a person other
21 than the original purchaser; or
- 22 3. Any portion of prewritten computer software that is modified or
23 enhanced in any manner, where the modification or enhancement is
24 designed and developed to the specifications of a specific purchaser,
25 unless there is a reasonable, separately stated charge on an invoice or
26 other statement of the price to the purchaser for the modification or
27 enhancement.

1 (b) When a person modifies or enhances computer software of which the person
2 is not the author or creator, the person shall be deemed to be the author or
3 creator only of the modifications or enhancements the person actually made.

4 (c) The combining of two (2) or more prewritten computer software programs or
5 portions thereof does not cause the combination to be other than prewritten
6 computer software;

7 (39)~~[(33)]~~ "Prewritten computer software access services" means the right of access to
8 prewritten computer software where the object of the transaction is to use the
9 prewritten computer software while possession of the prewritten computer software
10 is maintained by the seller or a third party, wherever located, regardless of whether
11 the charge for the access or use is on a per use, per user, per license, subscription, or
12 some other basis;

13 (40)~~[(34)]~~ (a) "Purchase" means any transfer of title or possession, exchange, barter,
14 lease, or rental, conditional or otherwise, in any manner or by any means
15 whatsoever, of:

- 16 1. Tangible personal property;
- 17 2. An extended warranty service;
- 18 3. Digital property transferred electronically; or
- 19 4. Services included in KRS 139.200;
- 20 for a consideration.

21 (b) "Purchase" includes:

- 22 1. When performed outside this state or when the customer gives a resale
23 certificate, the producing, fabricating, processing, printing, or imprinting
24 of tangible personal property for a consideration for consumers who
25 furnish either directly or indirectly the materials used in the producing,
26 fabricating, processing, printing, or imprinting;
- 27 2. A transaction whereby the possession of tangible personal property or

1 digital property is transferred but the seller retains the title as security for
2 the payment of the price; and

3 3. A transfer for a consideration of the title or possession of tangible
4 personal property or digital property which has been produced,
5 fabricated, or printed to the special order of the customer, or of any
6 publication;

7 ~~(41)~~~~[(35)]~~ "Recycled materials" means materials which have been recovered or diverted
8 from the solid waste stream and reused or returned to use in the form of raw
9 materials or products;

10 ~~(42)~~~~[(36)]~~ "Recycling purposes" means those activities undertaken in which materials
11 that would otherwise become solid waste are collected, separated, or processed in
12 order to be reused or returned to use in the form of raw materials or products;

13 ~~(43)~~~~[(37)]~~ "Remote retailer" means a retailer with no physical presence in this state;

14 ~~(44)~~~~[(38)]~~ (a) "Repair, replacement, or spare parts" means any tangible personal
15 property used to maintain, restore, mend, or repair machinery or equipment.

16 (b) "Repair, replacement, or spare parts" does not include machine oils, grease, or
17 industrial tools;

18 ~~(45)~~~~[(39)]~~ (a) "Retailer" means:

19 1. Every person engaged in the business of making retail sales of tangible
20 personal property, digital property, or furnishing any services in a retail
21 sale included in KRS 139.200;

22 2. Every person engaged in the business of making sales at auction of
23 tangible personal property or digital property owned by the person or
24 others for storage, use or other consumption, except as provided in
25 paragraph (c) of this subsection;

26 3. Every person making more than two (2) retail sales of tangible personal
27 property, digital property, or services included in KRS 139.200 during

1 any twelve (12) month period, including sales made in the capacity of
2 assignee for the benefit of creditors, or receiver or trustee in bankruptcy;

3 4. Any person conducting a race meeting under the provision of KRS
4 Chapter 230, with respect to horses which are claimed during the
5 meeting.

6 (b) When the department determines that it is necessary for the efficient
7 administration of this chapter to regard any salesmen, representatives,
8 peddlers, or canvassers as the agents of the dealers, distributors, supervisors or
9 employers under whom they operate or from whom they obtain the tangible
10 personal property, digital property, or services sold by them, irrespective of
11 whether they are making sales on their own behalf or on behalf of the dealers,
12 distributors, supervisors or employers, the department may so regard them and
13 may regard the dealers, distributors, supervisors or employers as retailers for
14 purposes of this chapter.

15 (c) 1. Any person making sales at a charitable auction for a qualifying entity
16 shall not be a retailer for purposes of the sales made at the charitable
17 auction if:

18 a. The qualifying entity, not the person making sales at the auction, is
19 sponsoring the auction;

20 b. The purchaser of tangible personal property at the auction directly
21 pays the qualifying entity sponsoring the auction for the property
22 and not the person making the sales at the auction; and

23 c. The qualifying entity, not the person making sales at the auction, is
24 responsible for the collection, control, and disbursement of the
25 auction proceeds.

26 2. If the conditions set forth in subparagraph 1. of this paragraph are met,
27 the qualifying entity sponsoring the auction shall be the retailer for

1 purposes of the sales made at the charitable auction.

2 3. For purposes of this paragraph, "qualifying entity" means a resident:

3 a. Church;

4 b. School;

5 c. Civic club; or

6 d. Any other nonprofit charitable, religious, or educational
7 organization;

8 ~~(46)~~~~[(40)]~~ "Retail sale" means any sale, lease, or rental for any purpose other than resale,
9 sublease, or subrent;

10 ~~(47)~~~~[(41)]~~ (a) "Ringtones" means digitized sound files that are downloaded onto a
11 device and that may be used to alert the customer with respect to a
12 communication.

13 (b) "Ringtones" shall not include ringback tones or other digital files that are not
14 stored on the purchaser's communications device;

15 ~~(48)~~~~[(42)]~~ (a) "Sale" means:

16 1. The furnishing of any services included in KRS 139.200;

17 2. Any transfer of title or possession, exchange, barter, lease, or rental,
18 conditional or otherwise, in any manner or by any means whatsoever, of:

19 a. Tangible personal property; or

20 b. Digital property transferred electronically;

21 for a consideration.

22 (b) "Sale" includes but is not limited to:

23 1. The producing, fabricating, processing, printing, or imprinting of
24 tangible personal property or digital property for a consideration for
25 purchasers who furnish, either directly or indirectly, the materials used
26 in the producing, fabricating, processing, printing, or imprinting;

27 2. A transaction whereby the possession of tangible personal property or

1 digital property is transferred, but the seller retains the title as security
2 for the payment of the price; and

3 3. A transfer for a consideration of the title or possession of tangible
4 personal property or digital property which has been produced,
5 fabricated, or printed to the special order of the purchaser.

6 (c) This definition shall apply regardless of the classification of a transaction
7 under generally accepted accounting principles, the Internal Revenue Code, or
8 other provisions of federal, state, or local law;

9 ~~(49)~~~~((43))~~ "Seller" includes every person engaged in the business of selling tangible
10 personal property, digital property, or services of a kind, the gross receipts from the
11 retail sale of which are required to be included in the measure of the sales tax, and
12 every person engaged in making sales for resale;

13 ~~(50)~~~~((44))~~ (a) "Storage" includes any keeping or retention in this state for any purpose
14 except sale in the regular course of business or subsequent use solely outside
15 this state of tangible personal property or digital property purchased from a
16 retailer.

17 (b) "Storage" does not include the keeping, retaining, or exercising any right or
18 power over tangible personal property for the purpose of subsequently
19 transporting it outside the state for use thereafter solely outside the state, or for
20 the purpose of being processed, fabricated, or manufactured into, attached to,
21 or incorporated into, other tangible personal property to be transported outside
22 the state and thereafter used solely outside the state;

23 ~~(51)~~~~((45))~~ "Tangible personal property" means personal property which may be seen,
24 weighed, measured, felt, or touched, or which is in any other manner perceptible to
25 the senses and includes natural, artificial, and mixed gas, electricity, water, steam,
26 and prewritten computer software;

27 ~~(52)~~~~((46))~~ "Taxpayer" means any person liable for tax under this chapter;

1 ~~(53)~~~~((47))~~ "Telemarketing services" means services provided via telephone, facsimile,
2 electronic mail, or other modes of communications to another person, which are
3 unsolicited by that person, for the purposes of:

- 4 (a) 1. Promoting products or services;
5 2. Taking orders; or
6 3. Providing information or assistance regarding the products or services;
7 or
8 (b) Soliciting contributions;

9 ~~(54)~~~~((48))~~ "Transferred electronically" means accessed or obtained by the purchaser by
10 means other than tangible storage media; and

11 ~~(55)~~~~((49))~~ (a) "Use" includes the exercise of:

- 12 1. Any right or power over tangible personal property or digital property
13 incident to the ownership of that property, or by any transaction in which
14 possession is given, or by any transaction involving digital property or
15 tangible personal property where the right of access is granted; or
16 2. Any right or power to benefit any services subject to tax under KRS
17 139.200(2)(p) to (ay).

18 (b) "Use" does not include the keeping, retaining, or exercising any right or power
19 over tangible personal property or digital property for the purpose of:

- 20 1. Selling tangible personal property or digital property in the regular
21 course of business; or
22 2. Subsequently transporting tangible personal property outside the state
23 for use thereafter solely outside the state, or for the purpose of being
24 processed, fabricated, or manufactured into, attached to, or incorporated
25 into, other tangible personal property to be transported outside the state
26 and thereafter used solely outside the state.

27 ➔Section 2. KRS 139.480 (Effective January 1, 2023) is amended to read as

1 follows:

2 Any other provision of this chapter to the contrary notwithstanding, the terms "sale at
3 retail," "retail sale," "use," "storage," and "consumption," as used in this chapter, shall not
4 include the sale, use, storage, or other consumption of:

5 (1) Locomotives or rolling stock, including materials for the construction, repair, or
6 modification thereof, or fuel or supplies for the direct operation of locomotives and
7 trains, used or to be used in interstate commerce;

8 (2) Coal for the manufacture of electricity;

9 (3) (a) All energy or energy-producing fuels used in the course of manufacturing,
10 processing, mining, or refining and any related distribution, transmission, and
11 transportation services for this energy that are billed to the user, to the extent
12 that the cost of the energy or energy-producing fuels used, and related
13 distribution, transmission, and transportation services for this energy that are
14 billed to the user exceed three percent (3%) of the cost of production.

15 (b) Cost of production shall be computed on the basis of a plant facility, which
16 shall include all operations within the continuous, unbroken, integrated
17 manufacturing or industrial processing process that ends with a product
18 packaged and ready for sale.

19 (c) A person who performs a manufacturing or industrial processing activity for a
20 fee and does not take ownership of the tangible personal property that is
21 incorporated into, or becomes the product of, the manufacturing or industrial
22 processing activity is a toller. For periods on or after July 1, 2018, the costs of
23 the tangible personal property shall be excluded from the toller's cost of
24 production at a plant facility with tolling operations in place as of July 1,
25 2018.

26 (d) For plant facilities that begin tolling operations after July 1, 2018, the costs of
27 tangible personal property shall be excluded from the toller's cost of

1 production if the toller:

2 1. Maintains a binding contract for periods after July 1, 2018, that governs
3 the terms, conditions, and responsibilities with a separate legal entity,
4 which holds title to the tangible personal property that is incorporated
5 into, or becomes the product of, the manufacturing or industrial
6 processing activity;

7 2. Maintains accounting records that show the expenses it incurs to fulfill
8 the binding contract that include but are not limited to energy or energy-
9 producing fuels, materials, labor, procurement, depreciation,
10 maintenance, taxes, administration, and office expenses;

11 3. Maintains separate payroll, bank accounts, tax returns, and other records
12 that demonstrate its independent operations in the performance of its
13 tolling responsibilities;

14 4. Demonstrates one (1) or more substantial business purposes for the
15 tolling operations germane to the overall manufacturing, industrial
16 processing activities, or corporate structure at the plant facility. A
17 business purpose is a purpose other than the reduction of sales tax
18 liability for the purchases of energy and energy-producing fuels; and

19 5. Provides information to the department upon request that documents
20 fulfillment of the requirements in subparagraphs 1. to 4. of this
21 paragraph and gives an overview of its tolling operations with an
22 explanation of how the tolling operations relate and connect with all
23 other manufacturing or industrial processing activities occurring at the
24 plant facility;

25 (4) Livestock of a kind the products of which ordinarily constitute food for human
26 consumption, provided the sales are made for breeding or dairy purposes and by or
27 to a person regularly engaged in the business of farming;

- 1 (5) Poultry for use in breeding or egg production;
- 2 (6) Farm work stock for use in farming operations;
- 3 (7) Seeds, the products of which ordinarily constitute food for human consumption or
4 are to be sold in the regular course of business, and commercial fertilizer to be
5 applied on land, the products from which are to be used for food for human
6 consumption or are to be sold in the regular course of business; provided such sales
7 are made to farmers who are regularly engaged in the occupation of tilling and
8 cultivating the soil for the production of crops as a business, or who are regularly
9 engaged in the occupation of raising and feeding livestock or poultry or producing
10 milk for sale; and provided further that tangible personal property so sold is to be
11 used only by those persons designated above who are so purchasing;
- 12 (8) Insecticides, fungicides, herbicides, rodenticides, and other farm chemicals to be
13 used in the production of crops as a business, or in the raising and feeding of
14 livestock or poultry, the products of which ordinarily constitute food for human
15 consumption;
- 16 (9) Feed, including pre-mixes and feed additives, for livestock or poultry of a kind the
17 products of which ordinarily constitute food for human consumption;
- 18 (10) Machinery for new and expanded industry;
- 19 (11) Farm machinery. As used in this section, the term "farm machinery":
 - 20 (a) Means machinery used exclusively and directly in the occupation of:
 - 21 1. Tilling the soil for the production of crops as a business;
 - 22 2. Raising and feeding livestock or poultry for sale; or
 - 23 3. Producing milk for sale;
 - 24 (b) Includes machinery, attachments, and replacements therefor, repair parts, and
25 replacement parts which are used or manufactured for use on, or in the
26 operation of farm machinery and which are necessary to the operation of the
27 machinery, and are customarily so used, including but not limited to combine

1 header wagons, combine header trailers, or any other implements specifically
2 designed and used to move or transport a combine head; and

3 (c) Does not include:

- 4 1. Automobiles;
- 5 2. Trucks;
- 6 3. Trailers, except combine header trailers; or
- 7 4. Truck-trailer combinations;

8 (12) Tombstones and other memorial grave markers;

9 (13) On-farm facilities used exclusively for grain or soybean storing, drying, processing,
10 or handling. The exemption applies to the equipment, machinery, attachments,
11 repair and replacement parts, and any materials incorporated into the construction,
12 renovation, or repair of the facilities;

13 (14) On-farm facilities used exclusively for raising poultry or livestock. The exemption
14 shall apply to the equipment, machinery, attachments, repair and replacement parts,
15 and any materials incorporated into the construction, renovation, or repair of the
16 facilities. The exemption shall apply but not be limited to vent board equipment,
17 waterer and feeding systems, brooding systems, ventilation systems, alarm systems,
18 and curtain systems. In addition, the exemption shall apply whether or not the seller
19 is under contract to deliver, assemble, and incorporate into real estate the
20 equipment, machinery, attachments, repair and replacement parts, and any materials
21 incorporated into the construction, renovation, or repair of the facilities;

22 (15) Gasoline, special fuels, liquefied petroleum gas, and natural gas used exclusively
23 and directly to:

- 24 (a) Operate farm machinery as defined in subsection (11) of this section;
- 25 (b) Operate on-farm grain or soybean drying facilities as defined in subsection
26 (13) of this section;
- 27 (c) Operate on-farm poultry or livestock facilities defined in subsection (14) of

1 this section;

2 (d) Operate on-farm ratite facilities defined in subsection (23) of this section;

3 (e) Operate on-farm llama or alpaca facilities as defined in subsection (25) of this
4 section; or

5 (f) Operate on-farm dairy facilities;

6 (16) Textbooks, including related workbooks and other course materials, purchased for
7 use in a course of study conducted by an institution which qualifies as a nonprofit
8 educational institution under KRS 139.495. The term "course materials" means only
9 those items specifically required of all students for a particular course but shall not
10 include notebooks, paper, pencils, calculators, tape recorders, or similar student
11 aids;

12 (17) Any property which has been certified as an alcohol production facility as defined in
13 KRS 247.910;

14 (18) Aircraft, repair and replacement parts therefor, and supplies, except fuel, for the
15 direct operation of aircraft in interstate commerce and used exclusively for the
16 conveyance of property or passengers for hire. Nominal intrastate use shall not
17 subject the property to the taxes imposed by this chapter;

18 (19) Any property which has been certified as a fluidized bed energy production facility
19 as defined in KRS 211.390;

20 (20) (a) 1. Any property to be incorporated into the construction, rebuilding,
21 modification, or expansion of a blast furnace or any of its components or
22 appurtenant equipment or structures as part of an approved supplemental
23 project, as defined by KRS 154.26-010; and

24 2. Materials, supplies, and repair or replacement parts purchased for use in
25 the operation and maintenance of a blast furnace and related carbon
26 steel-making operations as part of an approved supplemental project, as
27 defined by KRS 154.26-010.

- 1 (b) The exemptions provided in this subsection shall be effective for sales made:
- 2 1. On and after July 1, 2018; and
- 3 2. During the term of a supplemental project agreement entered into
- 4 pursuant to KRS 154.26-090;
- 5 (21) Beginning on October 1, 1986, food or food products purchased for human
- 6 consumption with food coupons issued by the United States Department of
- 7 Agriculture pursuant to the Food Stamp Act of 1977, as amended, and required to
- 8 be exempted by the Food Security Act of 1985 in order for the Commonwealth to
- 9 continue participation in the federal food stamp program;
- 10 (22) Machinery or equipment purchased or leased by a business, industry, or
- 11 organization in order to collect, source separate, compress, bale, shred, or otherwise
- 12 handle waste materials if the machinery or equipment is primarily used for recycling
- 13 purposes;
- 14 (23) Ratite birds and eggs to be used in an agricultural pursuit for the breeding and
- 15 production of ratite birds, feathers, hides, breeding stock, eggs, meat, and ratite by-
- 16 products, and the following items used in this agricultural pursuit:
- 17 (a) Feed and feed additives;
- 18 (b) Insecticides, fungicides, herbicides, rodenticides, and other farm chemicals;
- 19 (c) On-farm facilities, including equipment, machinery, attachments, repair and
- 20 replacement parts, and any materials incorporated into the construction,
- 21 renovation, or repair of the facilities. The exemption shall apply to incubation
- 22 systems, egg processing equipment, waterer and feeding systems, brooding
- 23 systems, ventilation systems, alarm systems, and curtain systems. In addition,
- 24 the exemption shall apply whether or not the seller is under contract to deliver,
- 25 assemble, and incorporate into real estate the equipment, machinery,
- 26 attachments, repair and replacement parts, and any materials incorporated into
- 27 the construction, renovation, or repair of the facilities;

- 1 (24) Embryos and semen that are used in the reproduction of livestock, if the products of
2 these embryos and semen ordinarily constitute food for human consumption, and if
3 the sale is made to a person engaged in the business of farming;
- 4 (25) Llamas and alpacas to be used as beasts of burden or in an agricultural pursuit for
5 the breeding and production of hides, breeding stock, fiber and wool products, meat,
6 and llama and alpaca by-products, and the following items used in this pursuit:
- 7 (a) Feed and feed additives;
- 8 (b) Insecticides, fungicides, herbicides, rodenticides, and other farm chemicals;
9 and
- 10 (c) On-farm facilities, including equipment, machinery, attachments, repair and
11 replacement parts, and any materials incorporated into the construction,
12 renovation, or repair of the facilities. The exemption shall apply to waterer
13 and feeding systems, ventilation systems, and alarm systems. In addition, the
14 exemption shall apply whether or not the seller is under contract to deliver,
15 assemble, and incorporate into real estate the equipment, machinery,
16 attachments, repair and replacement parts, and any materials incorporated into
17 the construction, renovation, or repair of the facilities;
- 18 (26) Baling twine and baling wire for the baling of hay and straw;
- 19 (27) Water sold to a person regularly engaged in the business of farming and used in the:
- 20 (a) Production of crops;
- 21 (b) Production of milk for sale; or
- 22 (c) Raising and feeding of:
- 23 1. Livestock or poultry, the products of which ordinarily constitute food for
24 human consumption; or
- 25 2. Ratites, llamas, alpacas, buffalo, cervids or aquatic organisms;
- 26 (28) Buffalos to be used as beasts of burden or in an agricultural pursuit for the
27 production of hides, breeding stock, meat, and buffalo by-products, and the

1 following items used in this pursuit:

2 (a) Feed and feed additives;

3 (b) Insecticides, fungicides, herbicides, rodenticides, and other farm chemicals;

4 (c) On-farm facilities, including equipment, machinery, attachments, repair and
5 replacement parts, and any materials incorporated into the construction,
6 renovation, or repair of the facilities. The exemption shall apply to waterer
7 and feeding systems, ventilation systems, and alarm systems. In addition, the
8 exemption shall apply whether or not the seller is under contract to deliver,
9 assemble, and incorporate into real estate the equipment, machinery,
10 attachments, repair and replacement parts, and any materials incorporated into
11 the construction, renovation, or repair of the facilities;

12 (29) Aquatic organisms sold directly to or raised by a person regularly engaged in the
13 business of producing products of aquaculture, as defined in KRS 260.960, for sale,
14 and the following items used in this pursuit:

15 (a) Feed and feed additives;

16 (b) Water;

17 (c) Insecticides, fungicides, herbicides, rodenticides, and other farm chemicals;
18 and

19 (d) On-farm facilities, including equipment, machinery, attachments, repair and
20 replacement parts, and any materials incorporated into the construction,
21 renovation, or repair of the facilities and, any gasoline, special fuels, liquefied
22 petroleum gas, or natural gas used to operate the facilities. The exemption
23 shall apply, but not be limited to: waterer and feeding systems; ventilation,
24 aeration, and heating systems; processing and storage systems; production
25 systems such as ponds, tanks, and raceways; harvest and transport equipment
26 and systems; and alarm systems. In addition, the exemption shall apply
27 whether or not the seller is under contract to deliver, assemble, and

1 incorporate into real estate the equipment, machinery, attachments, repair and
2 replacement parts, and any materials incorporated into the construction,
3 renovation, or repair of the facilities;

4 (30) Members of the genus cervidae permitted by KRS Chapter 150 that are used for the
5 production of hides, breeding stock, meat, and cervid by-products, and the
6 following items used in this pursuit:

- 7 (a) Feed and feed additives;
- 8 (b) Insecticides, fungicides, herbicides, rodenticides, and other chemicals; and
- 9 (c) On-site facilities, including equipment, machinery, attachments, repair and
10 replacement parts, and any materials incorporated into the construction,
11 renovation, or repair of the facilities. In addition, the exemption shall apply
12 whether or not the seller is under contract to deliver, assemble, and
13 incorporate into real estate the equipment, machinery, attachments, repair and
14 replacement parts, and any materials incorporated into the construction,
15 renovation, or repair of the facilities;

16 (31) (a) Repair or replacement parts for the direct operation or maintenance of a motor
17 vehicle, including any towed unit, used exclusively in interstate commerce for
18 the conveyance of property or passengers for hire, provided the motor vehicle
19 is licensed for use on the highway and its declared gross vehicle weight with
20 any towed unit is forty-four thousand and one (44,001) pounds or greater.
21 Nominal intrastate use shall not subject the property to the taxes imposed by
22 this chapter;

23 (b) Repair or replacement parts for the direct operation and maintenance of a
24 motor vehicle operating under a charter bus certificate issued by the
25 Transportation Cabinet under KRS Chapter 281, or under similar authority
26 granted by the United States Department of Transportation; and

27 (c) For the purposes of this subsection, "repair or replacement parts" means tires,

1 brakes, engines, transmissions, drive trains, chassis, body parts, and their
2 components. "Repair or replacement parts" shall not include fuel, machine
3 oils, hydraulic fluid, brake fluid, grease, supplies, or accessories not essential
4 to the operation of the motor vehicle itself, except when sold as part of the
5 assembled unit, such as cigarette lighters, radios, lighting fixtures not
6 otherwise required by the manufacturer for operation of the vehicle, or tool or
7 utility boxes;

8 (32) Food donated by a retail food establishment or any other entity regulated under KRS
9 217.127 to a nonprofit organization for distribution to the needy; ~~and~~

10 (33) Drugs and over-the counter drugs, as defined in KRS 139.472, that are purchased by
11 a person regularly engaged in the business of farming and used in the treatment of
12 cattle, sheep, goats, swine, poultry, ratite birds, llamas, alpacas, buffalo, aquatic
13 organisms, or cervids; and

14 **(34) (a) 1. Baby bottles, including both nipples and liners;**

15 **2. Baby wipes;**

16 **3. Breast pumps;**

17 **4. Breast pump collection and storage supplies;**

18 **5. Breast pump kits; and**

19 **6. Children's diapers, including disposable diapers.**

20 **(b) The exemptions provided in paragraph (a) of this subsection apply to items**
21 **sold or purchased on or after July 1, 2023, but before July 1, 2027.**

22 **(c) On or before September 1, 2024, and on or before each September 1**
23 **thereafter as long as the exemption applies, the department shall report to**
24 **the Interim Joint Committee on Appropriations and Revenue the total**
25 **amount of the exemption that has been claimed for the immediately**
26 **preceding fiscal year and the total cumulative amount of the exemption**
27 **claimed for each category listed in paragraph (a) of this subsection.**

1 ➔Section 3. KRS 131.190 is amended to read as follows:

2 (1) No present or former commissioner or employee of the department, present or
3 former member of a county board of assessment appeals, present or former property
4 valuation administrator or employee, present or former secretary or employee of the
5 Finance and Administration Cabinet, former secretary or employee of the Revenue
6 Cabinet, or any other person, shall intentionally and without authorization inspect or
7 divulge any information acquired by him or her of the affairs of any person, or
8 information regarding the tax schedules, returns, or reports required to be filed with
9 the department or other proper officer, or any information produced by a hearing or
10 investigation, insofar as the information may have to do with the affairs of the
11 person's business.

12 (2) The prohibition established by subsection (1) of this section shall not extend to:

13 (a) Information required in prosecutions for making false reports or returns of
14 property for taxation, or any other infraction of the tax laws;

15 (b) Any matter properly entered upon any assessment record, or in any way made
16 a matter of public record;

17 (c) Furnishing any taxpayer or his or her properly authorized agent with
18 information respecting his or her own return;

19 (d) Testimony provided by the commissioner or any employee of the department
20 in any court, or the introduction as evidence of returns or reports filed with the
21 department, in an action for violation of state or federal tax laws or in any
22 action challenging state or federal tax laws;

23 (e) Providing an owner of unmined coal, oil or gas reserves, and other mineral or
24 energy resources assessed under KRS 132.820, or owners of surface land
25 under which the unmined minerals lie, factual information about the owner's
26 property derived from third-party returns filed for that owner's property, under
27 the provisions of KRS 132.820, that is used to determine the owner's

1 assessment. This information shall be provided to the owner on a confidential
2 basis, and the owner shall be subject to the penalties provided in KRS
3 131.990(2). The third-party filer shall be given prior notice of any disclosure
4 of information to the owner that was provided by the third-party filer;

5 (f) Providing to a third-party purchaser pursuant to an order entered in a
6 foreclosure action filed in a court of competent jurisdiction, factual
7 information related to the owner or lessee of coal, oil, gas reserves, or any
8 other mineral resources assessed under KRS 132.820. The department may
9 promulgate an administrative regulation establishing a fee schedule for the
10 provision of the information described in this paragraph. Any fee imposed
11 shall not exceed the greater of the actual cost of providing the information or
12 ten dollars (\$10);

13 (g) Providing information to a licensing agency, the Transportation Cabinet, or
14 the Kentucky Supreme Court under KRS 131.1817;

15 (h) Statistics of gasoline and special fuels gallonage reported to the department
16 under KRS 138.210 to 138.448;

17 (i) Providing any utility gross receipts license tax return information that is
18 necessary to administer the provisions of KRS 160.613 to 160.617 to
19 applicable school districts on a confidential basis;

20 (j) Providing documents, data, or other information to a third party pursuant to an
21 order issued by a court of competent jurisdiction; or

22 (k) Providing information to the Legislative Research Commission under:

- 23 1. KRS 139.519 for purposes of the sales and use tax refund on building
24 materials used for disaster recovery;
- 25 2. KRS 141.436 for purposes of the energy efficiency products credits;
- 26 3. KRS 141.437 for purposes of the ENERGY STAR home and the
27 ENERGY STAR manufactured home credits;

- 1 4. KRS 141.383 for purposes of the film industry incentives;
- 2 5. KRS 154.26-095 for purposes of the Kentucky industrial revitalization
- 3 tax credits and the job assessment fees;
- 4 6. KRS 141.068 for purposes of the Kentucky investment fund;
- 5 7. KRS 141.396 for purposes of the angel investor tax credit;
- 6 8. KRS 141.389 for purposes of the distilled spirits credit;
- 7 9. KRS 141.408 for purposes of the inventory credit;
- 8 10. KRS 141.390 for purposes of the recycling and composting credit;
- 9 11. KRS 141.3841 for purposes of the selling farmer tax credit;
- 10 12. KRS 141.4231 for purposes of the renewable chemical production tax
- 11 credit;
- 12 13. KRS 141.524 for purposes of the Education Opportunity Account
- 13 Program tax credit;
- 14 14. KRS 141.398 for purposes of the development area tax credit;
- 15 15. KRS 139.516 for the purposes of the sales and use tax exemption on the
- 16 commercial mining of cryptocurrency; ~~and~~
- 17 16. KRS 141.419 for purposes of the decontamination tax credit; and
- 18 17. Section 2 of this Act for the purposes of the sales and use tax
- 19 exemption of postnatal products.

- 20 (3) The commissioner shall make available any information for official use only and on
- 21 a confidential basis to the proper officer, agency, board or commission of this state,
- 22 any Kentucky county, any Kentucky city, any other state, or the federal government,
- 23 under reciprocal agreements whereby the department shall receive similar or useful
- 24 information in return.
- 25 (4) Access to and inspection of information received from the Internal Revenue Service
- 26 is for department use only, and is restricted to tax administration purposes.
- 27 Information received from the Internal Revenue Service shall not be made available

1 to any other agency of state government, or any county, city, or other state, and shall
2 not be inspected intentionally and without authorization by any present secretary or
3 employee of the Finance and Administration Cabinet, commissioner or employee of
4 the department, or any other person.

5 (5) Statistics of crude oil as reported to the department under the crude oil excise tax
6 requirements of KRS Chapter 137 and statistics of natural gas production as
7 reported to the department under the natural resources severance tax requirements
8 of KRS Chapter 143A may be made public by the department by release to the
9 Energy and Environment Cabinet, Department for Natural Resources.

10 (6) Notwithstanding any provision of law to the contrary, beginning with mine-map
11 submissions for the 1989 tax year, the department may make public or divulge only
12 those portions of mine maps submitted by taxpayers to the department pursuant to
13 KRS Chapter 132 for ad valorem tax purposes that depict the boundaries of mined-
14 out parcel areas. These electronic maps shall not be relied upon to determine actual
15 boundaries of mined-out parcel areas. Property boundaries contained in mine maps
16 required under KRS Chapters 350 and 352 shall not be construed to constitute land
17 surveying or boundary surveys as defined by KRS 322.010 and any administrative
18 regulations promulgated thereto.